



HOUSE OF REPRESENTATIVES

HCR 2037

early childhood literacy; school monies

Prime Sponsor: Representative Borrelli, LD 5

X Committee on Education

Caucus and COW

House Engrossed

OVERVIEW

HCR 2037 refers a ballot measure to the voters requiring monies to be transferred from the Early Childhood Development and Health Fund (Fund) to school districts and charter schools to provide early childhood literacy programs.

PROVISIONS

1. Prohibits monies deposited in the Fund from the tobacco tax from being used to pay the costs of lobbying or advertising through television, radio or billboards.
2. Requires sufficient monies in the Fund to be transferred to the Arizona Department of Education (ADE) to be distributed to school districts and charter schools to provide early childhood literacy programs for children under 7 years.
 - a. Determines each school district and charter school to be eligible to receive \$1,162 per student enrolled in 3rd grade, if sufficient monies are deposited in the Fund.
 - b. Requires a pro rata reduction in disbursements if sufficient monies are not deposited in the Fund.
3. Determines that any monies in the Fund after the transfer are to be deposited according to current law.
4. Requires the first \$5 million of any unexpended and unencumbered monies remaining in the Fund at the end of a Fiscal Year (FY) to be transferred to the Internet Crimes Against Children Enforcement Fund.
5. Requires ADE to reduce the amount of monies transferred to each school district and charter school by the percentage of 3rd grade students in the school district or charter school who are not promoted due to Move on When Reading requirements, beginning in FY 2021.
6. Requires the Secretary of State to submit the proposition to the voters at the next general election.
7. Makes technical and conforming changes.

CURRENT LAW

In 2006 the voters passed Proposition 203, also known as First Things First for Arizona's Children, which increased various tobacco taxes and allocated the increased revenue to programs and services for children before Kindergarten. All monies collected through the increased tobacco tax are deposited into the Fund, of which 90% are deposited into the program account and 10% into the administrative costs account ([A.R.S. § 8-1181](#)). Disbursements from the Fund are governed by the Early Childhood Development and Health Board (Board) and made to

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support regional partnership councils and fund grants. Of the monies in the program account, up to 10% may be used to fund statewide grants or Board programs. The remaining monies in the program account are used to fund approved regional plans with specified requirements for how the money is allocated ([A.R.S. § 8-1185](#)).

The Arizona State Board of Education is required to adopt and implement an assessment to measure student achievement of the adopted standards in reading, writing and math in at least four grades ([A.R.S. § 15-741](#)). Third grade students are required to take the assessment and if a student falls far below the third grade reading level, that student is required to be retained. This requirement is referred to as *Move on When Reading* ([A.R.S. § 15-701](#)).